

**REMARKS/ARGUMENTS**

Claims 1 and 5-20 are pending. Claims 2, 3 and 4 have been canceled herein and their subject matter folded into claim 1 by this amendment. Claim 5 has been made to depend from claim 1. Claims 6 to 20 were deemed allowable if rewritten to be independent including any intervening claims. This has been done herein by this amendment and therefore claims 6-20 should now be allowed. Reconsideration of rejected claims 1 and 5 is requested in view of the following argument.

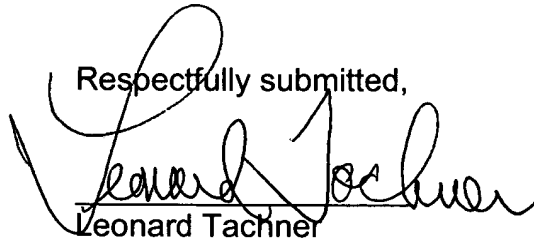
Claims 4 and 5 have been rejected over Horner in view of Saito. This rejection is respectfully traversed in regard to claims 1 and 5 in view of the amendment to claim 1.

Saito discloses a holographic display apparatus which has no relationship whatsoever to an optical correlation system for authentication. Saito's reference to improved light modulation results from his comparison of a complex amplitude variation hologram as compared to an amplitude only or phase only hologram and not per se because of the use of a liquid crystal panel. Horner speaks of his signal 32 already having both amplitude and phase variation in his FIG. 5. Therefore, there would be no motivation for substituting the teaching of Saito for that of Horner other than the hindsight reconstruction of Applicant's claims. Applicant's novelty resides in the use of a spatial light modulator having controlled pixel by pixel phase as one of either the input or the reference in an authentication system. Horner does not teach or suggest such a pixel simulation in an SLM and Saito provides no real motivation to remedy this

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distinction. Therefore claim 1 (with claim 4 folded into it) and claim 5 (now dependent on claim 1) should be deemed unobvious and patentable over the cited combination of references. Therefore, Applicant respectfully requests allowance of amended claims 1 and 5 as well as allowable claims 6-20.

Respectfully submitted,



Leonard Tachner  
Attorney for the Applicant(s)  
Registration No. 26,344

Dated: 1/5/07

LT/jf  
(949) 752-8525 Telephone  
(949) 955-2415 Telefax

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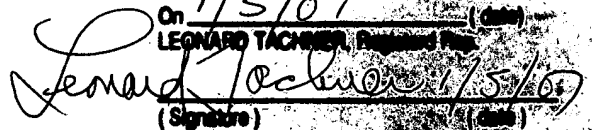
MAIL STOP Amendment

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